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May 29, 2007

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OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, and Hosston
A and B Zones, SIBLEY FIELD, Webster Parish,
Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, and to the Hosston A and B Zones, all in the Sibley Field, Webster Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize an additional alternate unit well for CV RA SUA at the location shown on an attached plat, in exception to the spacing provisions of Office of Conservation Order No. 148-K, effective August 19, 1997.
2. To authorize Applicant to drill, designate and utilize a substitute unit well for CV RA SUB at the location shown on an attached plat, in exception to the spacing provisions of Office of Conservation Order No. 148-K, effective August 19, 1997.
3. To authorize Applicant to drill, designate and utilize a unit well for HOSS A SUBB and a substitute unit well for HOSS B SUBB at the location shown on attached plats, in exception to the spacing provisions of Office of Conservation Order No. 148-J, effective February 1, 1972.
4. To find that an alternate unit well for CV RA SUA, a substitute unit well for CV RA SUB and a substitute unit well for HOSS B SUBB, at the locations shown on the attached plats, are necessary to efficiently and economically drain portions of the Cotton Valley Formation, Reservoir A, and the Hosston B Zone, underlying these units which cannot be efficiently and economically drained by any existing well within such units.
5. To discuss such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in Sibley Field, Webster Parish, Louisiana, was defined in Office of Conservation Order No. 148-K, effective August 19, 1997.

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The Hosston A and B Zones in Sibley Field, Webster Parish, Louisiana, were defined in Office of Conservation Order No. 148-J, effective February 1, 1972.

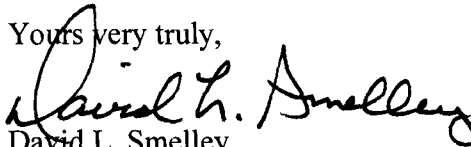
Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person desiring to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

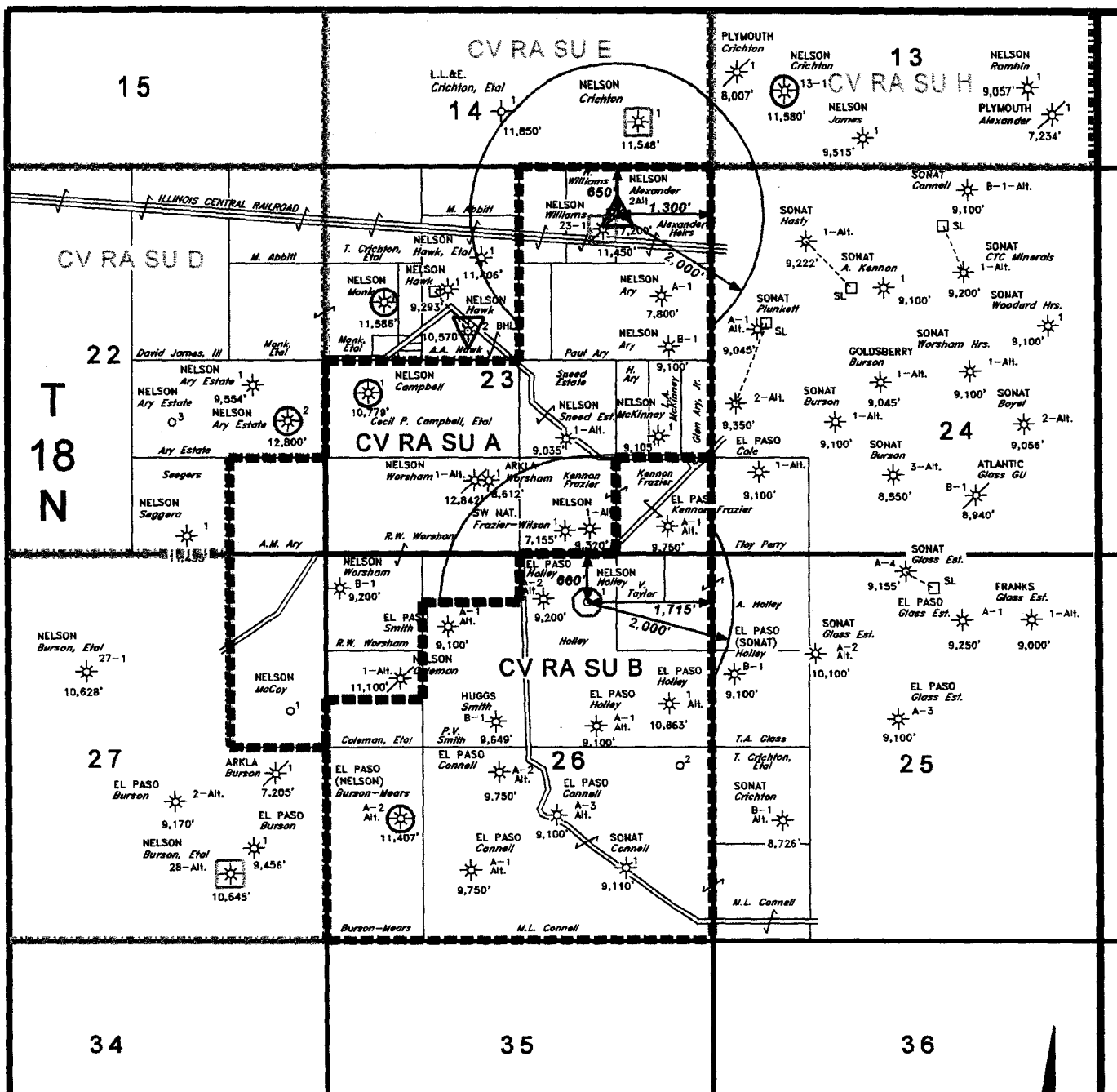
Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sibley Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose a check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

David L. Smelley
-- Attorney for Nelson Energy, Inc.

DLS:dp
Enclosures
cc: Mr. Jim Broussard (w/encl.)
Mr. Danny Moreland (w/encl.)
Mr. Joe B. Adams (w/encl.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)



- - UNIT WELLS
- - ALTERNATE UNIT WELLS
- ▽ - SUBSTITUTE UNIT WELL
- △ - PROPOSED ALTERNATE UNIT WELL
- - PROPOSED SUBSTITUTE UNIT WELLS

■■■■■ - EXISTING CV UNITS

NOTE: ALL UNIT BOUNDARIES
ARE GEOGRAPHIC.

NOTE: 2,000' RADIUS MEASURED
INTO ADJACENT UNITS.

Geo-Draft, Inc.
(504) 836-2882

EXHIBIT No. 1

DOCKET No. 07-

NELSON ENERGY, INC.

SIBLEY FIELD
WEBSTER PARISH, LOUISIANA

Proposed Substitute & Alternate Unit Wells
Cotton Valley, Reservoir A

Date:

0' 2000' 4000' 6000'

Geology: JOE B. ADAMS

